

**SciGen Limited** ARBN 101318852  
**Annual Report – 30 June 2004**  
(In Singapore dollars)

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**SciGen Ltd and controlled entities  
Corporate Directory**

**Directors**

Paul Freiman  
*Chairman*  
*Member, Remuneration Committee*

Mark R. Compton  
*Managing Director and Chief Executive Officer*

Saul A. Mashaal  
*Vice Chairman - Executive Director*

Colin S. Goldschmidt  
*Non-Executive Director*

Christopher D. Wilks  
*Non-Executive Director*  
*Member, Audit Committee*

R. Peter Campbell  
*Non-Executive Director*  
*Member, Remuneration Committee*

Kenneth Gross  
*Non-Executive Director*  
*Member, Audit Committee*

Barrie R. Martin  
*Non-Executive Director*  
*Chairman, Audit Committee*  
*Chairman, Remuneration Committee*

S. Iswaran  
*Non-Executive Director*  
*Member, Remuneration Committee*

**Secretaries**

Lai Leng Wong

Jenny Low  
*Chief Financial Officer*

**SciGen Ltd and controlled entities**  
**Corporate Directory**  
(continued)

<b>Principal registered office in Singapore</b>	152 Beach Road, #26-07/08 Gateway East, Singapore 189721
<b>Principal registered office in Australia</b>	Level 7, No. 2 Bligh Street, Sydney NSW 2000, Australia
<b>Share and debenture registers</b>	Computershare Investor Services Pty Limited Level 5, 115 Grenfell Street, Adelaide, South Australia, 5000, Australia Ph: 1300 556 161 (within Australia) Ph: (61) 3 9615 5970 (outside Australia) Fax: (61) 8 8236 2305 Website: <a href="http://www.computershare.com">www.computershare.com</a>
<b>Auditor</b>	PricewaterhouseCoopers
<b>Solicitors</b>	Allen & Gledhill Coudert Brothers
<b>Bankers</b>	ANZ Bank, Ltd. DBS Bank, Ltd. Citibank, NA Kookmin Bank, Ltd.
<b>Stock exchange listings</b>	SciGen Limited is a public company incorporated in Singapore. Shares (other than those held by Sonic Healthcare Limited and Scitech Genetics Pte Ltd - which are held in escrow) are held by Chess Depository Nominees in Australia and are publicly traded on the Australian Stock Exchange in the form of CHESS Units of Foreign Securities (CUFS) on a 1 CUF for 1 fully paid ordinary Share basis.
<b>Website address</b>	<a href="http://www.scigenltd.com">www.scigenltd.com</a>
<b>Currency</b>	The annual report is prepared in Singapore dollars

## SciGen Ltd and controlled entities Directors' Report

Your directors present their report on the Company and for the Group consisting of SciGen Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2004.

### Directors

The directors of the company at the date of this report are:

Mr. Paul Freiman (Chairman)  
 Mr. Mark R. Compton (Managing Director and Chief Executive Officer)  
 Mr. Saul A. Mashaal (Vice Chairman and Executive Director)  
 Dr. Colin S. Goldschmidt  
 Mr. Christopher D. Wilks  
 Mr. R. Peter Campbell  
 Mr. Kenneth Gross  
 Mr. Barrie R. Martin  
 Mr. S. Iswaran

### Principal Activities

During the year, the principal continuing activities of the Company and the Group are collaborative research & development of biotechnology derived pharmaceutical products and the registration, sales, marketing & distribution of those products. The principal activities of the subsidiaries are sales of pharmaceutical products.

There have been no significant changes in the nature of these activities during the financial year.

### Dividends

Due to the capital requirements and early stage growth of the Company, the Directors have not declared a dividend for the year ended 30 June 2004. No dividends have been paid, declared or proposed since the end of the Company's preceding financial year.

### Results and Review of operations and activities

A summary of consolidated revenues and results by significant geographical segments is set out below:

	Segment revenues		Segment results	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Singapore	379	275	(100)	(76)
Australia	2,562	1,295	1,436	597
Korea	1,438	193	87	(377)
Vietnam	755	406	(47)	(104)
Other	1,345	1,442	(447)	(482)
Total of all segments	<u>6,479</u>	<u>3,611</u>	<u>929</u>	<u>(442)</u>
Unallocated			(5,240)	(4,429)
Loss from ordinary activities before income tax expenses			(4,311)	(4,871)
Income tax expense relating to ordinary activities			-	(10)
Net Loss			<u>(4,311)</u>	<u>(4,881)</u>

## SciGen Ltd and controlled entities Directors' Report

Comments on the operations and the results of those operations are set out below:

Since 1 July 2003, the Group has received registration or achieved important registration milestones for the following products in the territories shown:

Product	Territory	Date
Sci-B-Vac	Singapore	21.07.03
SciLin	India	16.07.04 *
	Vietnam	25.12.03
Scitropin	India	11.03.04

\* post balance date

Sales have commenced for each of the registered products except for Oxandrin. In addition, sales of Scitropin (recombinant human growth hormone) have continued in Australia, Singapore, Hong Kong, Philippines and Korea.

The Group's revenue increased by 79% over the previous year to S\$6.479M (S\$3.611M in FY2003) with Korea as the territory showing the greatest revenue growth. Expenditure was well controlled and largely directed into expanding sales and marketing activities in addition to funding regulatory affairs activities, registration applications and licence fees.

The Group's cash reserves remain adequate to fund ongoing operations and licence fee payments due to Savient Pharmaceuticals Inc.

### Earnings per share

	The Group	
	2004	2003
	S Cents	S Cents
Basic earnings per share	(1.029)	(1.350)
Diluted earnings per share	(1.029)	(1.350)

### Arrangements to enable directors to acquire shares and debentures

Other than the share options noted below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## SciGen Ltd and controlled entities Directors' Report

### Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares in, or debentures of, the Company and related corporations, except as follows:

	<b>Holdings registered in the name of the director</b>		<b>Holdings in which the director is deemed to have an interest</b>	
	<b>At 30.6.2004</b>	<b>At 1.7.2003</b>	<b>At 30.6.2004</b>	<b>At 1.7.2003</b>
<u>SciGen Ltd</u>				
<u>(Ordinary shares of S\$0.001 each)</u>				
Mark R. Compton	100,400	100,400	-	-
Saul A. Mashaal *	-	-	108,931,015	108,931,015
Colin S. Goldschmidt	950,000	950,000	-	-
Christopher D. Wilks	623,000	623,000	-	-
Kenneth Gross *	-	-	108,931,015	108,931,015
Barrie R. Martin	1,405	1,405	-	-
<u>(Options to purchase ordinary shares of S\$0.001 each at A\$0.18 - A\$0.20 per share)</u>				
Paul Freiman	1,000,000	1,000,000	-	-
Mark R. Compton	8,379,311	8,379,311	-	-
Saul A. Mashaal	8,379,311	8,379,311	-	-
Colin S. Goldschmidt	4,000,000	4,000,000	-	-
Christopher D. Wilks	2,500,000	2,500,000	-	-
R. Peter Campbell	1,000,000	1,000,000	-	-
Kenneth Gross	1,000,000	1,000,000	-	-
Barrie R. Martin	1,000,000	1,000,000	-	-
S. Iswaran	1,000,000	-	-	-

\* The above directors are deemed to have an interest in the share capital of the Company by virtue of their deemed interest of not less than 20% in the issued share capital of Scitech Genetics Pte Ltd, a shareholder of the Company.

### Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than as disclosed in the consolidated financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except that a certain director has an employment relationship with a related party and has received remuneration in that capacity.

## SciGen Ltd and controlled entities Directors' Report

### Share Options

Share options granted, exercised and cancelled during the financial year, and options outstanding at the end of the financial year were as follows:-

Date of Grant	Class	Exercise Period	Exercise Price (A\$)	Number Granted	Option Exercised/ Shares Issued	Option Cancelled	Balance as at 30 June 2004
15 Nov 2002	Class 1	15 Nov 2003 to 15 Nov 2006	A\$0.20	*1,000,000	-	-	8,500,000
27 Nov 2002	Class 2	27 Nov 2002 to 15 Dec 2003	A\$0.11	-	-	779,000	-
27 Nov 2002	Class 3	27 Nov 2002 to 20 Feb 2005	A\$0.18	-	-	55,000	2,068,000
27 Nov 2002	Class 4	20 Apr 2003 to 20 Apr 2005	A\$0.18	-	-	-	4,500,000
27 Nov 2002	Class 5	20 Dec 2003 to 20 Apr 2006	A\$0.25	-	-	10,000	3,424,400
27 Nov 2002	Class 6	16 Jan 2005 to 16 May 2007	A\$0.15	-	-	-	1,577,500
15 Nov 2002	Class 7	15 Nov 2003 to 15 Nov 2006	A\$0.20	-	-	-	8,379,311
15 Nov 2002	Class 8 **	15 Nov 2003 to 15 Nov 2006	A\$0.20	-	-	-	8,379,311
18 Nov 2003	Class 9	1 Sep 2004 to 31 Aug 2007	A\$0.22	5,317,500	-	30,000	5,287,500

\*Options issued under class 1 were issued to a SciGen non-executive director at the Annual General Meeting held on 18 November 2003. The exercise period for the 1,000,000 options is from 18 November 2003 to 15 November 2006.

\*\* The exercise period for Class 8 is from 15 November 2003 to 15 November 2006 with potential to extend to 15 November 2012 upon satisfaction of certain conditions.

Class 9 Options have been allocated for issue to executives and employees under the SciGen Limited Employee Option Plan Prospectus which was lodged with ASIC on 1 September 2003. A copy of this Plan is available on the company's website.

Statutory information regarding 2004 options is as follows –

#### Class 1

- (i) The exercise price of the option issued during the year is A\$0.20 per ordinary share of S\$0.0013133 each.
- (ii) The options are exercisable from 18 November 2003 and expire on 15 November 2006.
- (iii) The options may be exercised in the following tranches
  - 33% on or after the first anniversary of the issue date
  - 33% on or after the second anniversary of the issue date
  - 34% on or after the third anniversary of the issue date
- (iv) The persons to whom the options have been issued have no rights to participate by virtue of the options in any issue of any other company.

## SciGen Ltd and controlled entities Directors' Report

### Class 9

- (i) The exercise price of the option issued during the year is A\$0.22 per ordinary share of S\$0.0013133 each.
- (ii) The options are exercisable from 1 September 2004 and expire on 31 August 2007.
- (iii) The options may be exercised in the following tranches
  - 33% on or after the first anniversary of the issue date
  - 33% on or after the second anniversary of the issue date
  - 34% on or after the third anniversary of the issue date
- (iv) The persons to whom the options have been issued have no rights to participate by virtue of the options in any issue of any other company.

### **Significant changes in the state of affairs**

Significant changes in the state of affairs of the Company and the Group during the financial year were as follows:

#### **(a) Renegotiation of licence for Hepatitis B Vaccine**

SciGen Ltd had renegotiated its licences for Hepatitis B Vaccine resulting in its taking over the manufacture of the vaccine, gaining new markets and the rights for the further development of the vaccine.

#### **(b) Contract Manufacturing**

SciGen Ltd executed a contract manufacturing agreement with Shreya Biotech for a range of SciGen Ltd's biotechnology derived products. The agreement will provide cost effective product to support SciGen Ltd's supply to India and the rest of the Asia Pacific region.

### **Matters subsequent to the end of the financial year**

Since 30 June 2004, the directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operations of the Company and the Group, other than:

1. Registration of SciLin in India.
2. Agreement with Shreya Group for a strategic investment in the Company. SciGen Ltd has agreed to place 22 million shares at an offer price of A\$0.07 per share to Shreya by mid October 2004. In addition, SciGen Ltd will make a 1 for 4 non-renounceable rights issue to be offered to all SciGen Ltd shareholders (including Shreya post-placement) at A\$0.06 per share. A further placement to Shreya (subject to shareholder approval) at A\$0.06 per share in January 2005 will bring their shareholding to 24% of the expanded capital. The Initial and Final placements and rights issue will raise a minimum of A\$11.2 million and a maximum of A\$16.4 million depending on the level of subscription to the rights issue by SciGen Ltd shareholders.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would substantially affect the results of the operations of the Company and of the Group for the financial year in which this report is made.

### **Likely developments and expected results of operations**

Likely developments in the operations of the Company and the Group at the date of this report included:

- (a) The main focus for the Group during the financial year 2004/2005 is to continue to register its products and commence the commercialisation of the products in the countries which SciGen Ltd has rights to register, market and sell the products. The Group will continue to obtain registration for its products and subsequently marketing the products in the territories in which it has rights to do so.
- (b) SciGen Ltd is intending to expand into regions other than those where it already has a presence and has executed agreements with several parties in China, Thailand and Malaysia.

**SciGen Ltd and controlled entities  
Directors' Report**

- (c) Besides increasing its sales, SciGen Ltd is also reviewing the reduction of its operating costs by moving toward the manufacturing of its own products using the contract manufacturing arrangements already announced to the ASX.
- (d) SciGen Ltd is continually looking for opportunities for new products and technology to add to its product portfolio.

Further information on likely developments in the operations of the Company and the Group and the expected results of operations have not been included in this report, because the directors are of the opinion that such information is commercially sensitive.

**Information on directors**

Director	Experience	Particulars of directors' interests in shares and options at 30 June 2004: SciGen Ltd		
		In the name of the Director Ordinary shares	Options	Deemed Interest Ordinary Shares
Mr. Paul Freiman (Chairman) (Age 70)	Mr. Freiman is the President & Chief Executive Officer of Neurobiological Technologies, Inc. (NIT). He is the former Chairman & Chief Executive officer of Syntex Corporation, where he had a long & successful career and was instrumental in the sale of Syntex to Roche Holdings for US\$5.3 billion.  Mr. Freiman currently serves as Chairman of the Board of Digital Gene Technologies and is also a director of Burrill & Company, Penwest Pharmaceutical Co., Calypte Biomedical Corporation, Omware, Inc., PHYTOS Inc. and Otsuka Pharmaceutical Manufacturers Association of America.	-	1,000,000	-
Mr. Mark R. Compton (Managing Director and Chief Executive Officer) (Age 43)	Mr. Compton was formerly the Managing Director of Alpha Healthcare Limited, a publicly listed Australian healthcare group. Mr. Compton is a graduate in pharmacology and holds a Masters in Business Administration from the Australian Graduate School of Management (UNSW).  Mr. Compton is a Fellow of the Australian Institute of Management, Fellow of the Australian Institute of Company Directors and an Associate Fellow of the Australian College of Health Service Executives. He is also a Director of St. John Ambulance Australia (NSW) and a Governor of the Woolcock Institute of Medical Research.	100,400	8,379,311	-

**Information on directors (continued)**

**SciGen Ltd and controlled entities  
Directors' Report**

Director	Experience	Particulars of directors' interests in shares and options at 30 June 2004: SciGen Ltd		
		In the name of the Director Ordinary shares	Options	Deemed Interest Ordinary Shares
Mr. Saul A. Mashaal (Vice Chairman – Executive Director) (Age 68)	Mr. Mashaal is the founder and Vice Chairman of SciGen. Mr. Mashaal has more than 30 years experience in the pharmaceutical industry. In 1988, Mr. Mashaal founded SciTech Genetics to develop, manufacture and market bio-technology derived products. The company changed its name to SciGen Private Limited in 1999.	-	8,379,311	108,931,015
Dr. Colin S. Goldschmidt (Age 50)	Dr. Goldschmidt has been the managing director of Sonic Healthcare Limited and its subsidiaries since 1992. Prior to which he was the Medical Director of Douglass Hanly Moir Pathology.  Dr. Goldschmidt completed his Australian Pathology Fellowship training in Sydney in 1986. He was also a non-executive director of Silex Limited.	950,000	4,000,000	-
Mr. Christopher D. Wilks (Age 46)	Mr. Wilks is a consultant with a background in chartered accounting and investment banking. He has been a director of Sonic Healthcare Limited since 1989 and has played a major role in Sonic's development since he became an Executive Director in 1992; He was also responsible for the spin out of Silex Systems Limited in 1996 and its subsequent listing on the ASX in 1998.  Mr. Wilks is an executive director with Silex Limited responsible for corporate development.	623,000	2,500,000	-

**SciGen Ltd and controlled entities  
Directors' Report**

**Information on directors (continued)**

Director	Experience	Particulars of directors' interests in shares and options at 30 June 2004: SciGen Ltd		
		In the name of the Director Ordinary shares	Options	Deemed Interest Ordinary Shares
Mr. R. Peter Campbell (Age 59)	Mr. Campbell is a Chartered Accountant with his own practice based in Sydney. Mr. Campbell is an independent non-executive director of Sonic Healthcare Limited, St. Laurence Australia Limited and Silex Systems Limited.  Mr. Campbell is a Fellow of both the Institute of Chartered Accountants in Australia and the Taxation Institute of Australia and is a registered company auditor.	-	1,000,000	-
Mr. Kenneth Gross (Age 75)	Mr. Gross co-founded Goldmark Plastic Compounds in 1957. The company has since become a major distributor of plastic raw materials within United States. In addition, Mr. Gross holds a number of directorships in various companies involved in chemical, metals, engineering resins and lubricating oils. Mr. Gross is presently the Chairman and Chief Executive Officer of Goldmark Plastics Inc.	-	1,000,000	108,931,015
Mr. Barrie R. Martin (Age 68)	Mr. Martin was non-executive Chairman of Prudential Corporation Australia (Prudential) and New Zealand from 1995 to 1997 and was Managing Director for Prudential in Australia and New Zealand from 1984 to 1994. Mr. Martin is Chairman of Brazin Limited, the Barkworth Group, Inglewood Olive Processors Limited and is a Director of Macquarie Bank Limited, BHP SVC Pty Limited and MBF Management Pty Ltd	1,405	1,000,000	-

**SciGen Ltd and controlled entities  
Directors' Report**

**Information on directors (continued)**

Director	Experience	Particulars of directors' interests in shares and options at 30 June 2004: SciGen Ltd		
		In the name of the Director Ordinary shares	Options	Deemed Interest Ordinary Shares
Mr. S. Iswaran (Age 42)	Mr. S Iswaran is the Managing Director of Temasek Holdings (Private) Limited, a Singaporean investment holding company with assets exceeding S\$50 million. He is responsible for private equity investments. Mr. Iswaran has broad experience in the public, private and NGO sectors of Singapore and other ASEAN countries. He has held senior civil service appointments in several Singaporean government Ministries including the Ministry of Trade and Industry where he had responsibility for policies and negotiations pertaining to multilateral trade in the context of ASEAN, APEC and the World Trade Organisation.  Mr. Iswaran is the Deputy Speaker of Parliament in the Singapore Government.	-	1,000,000	-

**Meetings of directors**

The numbers of meetings of the Company's Board of directors and of each board committee held during the year ended 30 June 2004, and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees			
	A	B	Audit		Remuneration	
			A	B	A	B
Mr. Paul Freiman (Chairman)	7	8	-	-	3	3
Mr. Mark R. Compton (Managing Director and Chief Executive Officer) *	8	8	-	-	-	-
Mr. Saul A. Mashaal (Vice Chairman and Executive Director)*	8	8	-	-	-	-
Dr. Colin S. Goldschmidt **	8	8	-	-	-	-
Mr. Christopher D. Wilks	8	8	2	2	-	-
Mr. R. Peter Campbell	5	8	-	-	3	3
Mr. Kenneth Gross	8	8	2	2	-	-
Mr. Barrie R. Martin	8	8	2	2	3	3
Mr. S. Iswaran	7	8	-	-	2	2

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

\* = Executive director

\*\* = Not a member of a committee

## SciGen Ltd and controlled entities Directors' Report

### Directors' and executives' emoluments

The Remuneration Committee, comprising the following non-executive directors –

- Barrie R. Martin (Chairman)
- Paul Freiman
- R. Peter Campbell
- S. Iswaran (appointed to the committee on 18 November 2003)

advises the Board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for the Managing Director, Vice Chairman (who is an executive director) and remuneration for non-executive directors. In reviewing remuneration levels, the Board takes into account financial performance in addition to other goals related to business development and operational issues.

Executive remuneration and other terms of employment are reviewed annually by the Managing Director having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice. As well as base salary, remuneration packages include superannuation, performance-related bonuses and fringe benefits.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company and the Group's operations.

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time. Options are issued but bonuses are not payable to non-executive directors.

Details of the nature and amount of each element of the emoluments of each director of SciGen Ltd and each of the 5 officers of the Company and the Group receiving the highest emoluments are set out in the following tables.

#### *Non-executive directors of SciGen Ltd*

Name	Directors' base fee S\$	Options S\$	Total S\$
Mr. Paul Freiman	51,539	-	51,539
Dr. Colin S. Goldschmidt	36,815	-	36,815
Mr. Christopher D. Wilks	36,815	-	36,815
Mr. R. Peter Campbell	36,815	-	36,815
Mr. Kenneth Gross	36,815	-	36,815
Mr. Barrie R. Martin	49,087	-	49,087
Mr. S. Iswaran	30,000	54,519	84,519

#### *Executive directors of SciGen Ltd*

Name	Base salary S\$	Motor vehicle S\$	Bonus S\$	Super-annuation S\$	Options S\$	Director's Fees S\$	Other benefits S\$	Total S\$
Mr. Mark R. Compton	415,440	69,542	79,126	12,902	-	-	56,022	633,032
Mr. Saul A. Mashaal *	386,201	40,129	10,639	-	-	36,630	163,197	636,796

\* Included in base salary is a consultancy fee of S\$231,820 payable to a corporation in which Mr. Saul A. Mashaal has an interest. The amount was paid for services of Mr. Saul A. Mashaal.

The amount disclosed above (and on the next page) for remuneration relating to options assess fair values of options at the date they were granted to executive directors and other executives during the year ended 30 June 2004. Fair values have been independently determined using the Binomial approximation option valuation model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the current price and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for term of the option.

**SciGen Ltd and controlled entities  
Directors' Report**

Further information on the options, including the numbers of options granted to directors and other executives, is set out in the following sections of this report.

***Other executives of SciGen Ltd***

Name	Base Salary S\$	Motor Vehicle S\$	Bonus S\$	Super-annuation S\$	Options S\$	Other Benefits S\$	Total S\$
Ms. Jenny Low	145,530	-	21,614	14,905	-	12,000	194,049
Ms. Christina Wong	105,900	-	21,872	6,434	9,470	10,590	154,266
Ms. Liza Domingo	58,453	3,970	4,960	346	9,470	-	77,199

***Other executives of the Company and the Group***

Name	Base Salary S\$	Motor Vehicle S\$	Bonus S\$	Super-annuation S\$	Options S\$	Other Benefits S\$	Total S\$
Dr. Eric Meyer	199,972	-	-	12,903	37,881	-	250,756
Mr. Peter Clark	120,438	20,852	30,088	31,301	9,470	-	212,149
Ms. Sian Stubbs	103,279	-	7,557	9,975	9,470	-	130,281
Mr. Dong Hoon Shin	61,523	-	7,179	4,496	9,470	20,644	103,312
Mr. Joo-Heon Lee (Director of subsidiary-SciGen Korea Limited)	64,896	-	2,010	2,214	9,470	2,631	81,221

“Other executives” are officers who are involved in, concerned in, or who take part in, the management of the affairs of the Company and / or related bodies corporate.

Information on loans to directors are set out in note 25 to the financial statements.

**Share options granted to directors and executives**

Options over un-issued ordinary shares of the Company granted during or since the end of the financial year to any of the directors or the 5 most highly remunerated officers of the Company and the Group as part of their remuneration were as follows:

<b><i>Directors</i></b>	<b>Options granted</b>
Mr. S. Iswaran	1,000,000
<b><i>Other executives of the SciGen Ltd</i></b>	
Ms. Liza Domingo	125,000
Ms. Christina Wong	125,000
<b><i>Other executives of the Group</i></b>	
Dr. Eric Meyer	500,000
Ms. Sian Stubbs	125,000
Mr. Peter Clark	125,000
Mr. Dong Hoon Shin	125,000
Mr. Joo-Heon Lee	125,000

Class 9 options issued under the SciGen Ltd Employee Option Plan is at the Exercise price of A\$0.22 per option. The Term of the issued options is 4 years.

Class 1 Options issued to a non-executive director, Mr. S. Iswaran, are at the exercise price of A\$0.20 per option. The Term of the issued option is 4 years.

## SciGen Ltd and controlled entities Directors' Report

### Insurance of officers

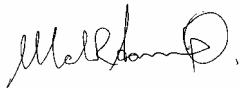
During the financial year, SciGen Ltd paid a premium of S\$78,694 to insure the directors and officers of the Company and its Australian-based controlled entity, and the managers of each of the divisions of the Company and the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company and the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

### Auditor

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

On behalf of the Directors



Mark R. Compton  
Managing Director and Chief Executive Officer



Barrie R. Martin  
Non-Executive Director;  
Chairman, Audit Committee  
Chairman, Remuneration Committee

Singapore  
15 September 2004

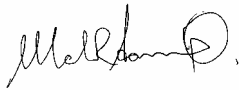
**SciGen Ltd and controlled entities**  
**Statement by Directors**  
**For the year ended 30 June 2004**

In the opinion of the directors,

(a) the financial statements set out on pages 24 to 51 are drawn up so as to give a true and fair view of the state of affairs of the Company and the Group at 30 June 2004, the results of the business, cash flows and changes in equity of the Company and of the Group for the financial year then ended, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors



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Mark R. Compton  
Managing Director & Chief Executive Officer



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Barrie R. Martin  
Non-executive Director;  
Chairman, Audit Committee  
Chairman, Remuneration Committee

Date : 15 September 2004

## **SciGen Ltd and controlled entities Corporate Governance Statement (continued)**

SciGen Ltd (the “Company” or “SciGen”) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. A review of the Company’s corporate governance framework has been completed in light of the best practice recommendations released by the Australian Stock Exchange Corporate Governance Council Guidelines (the “Guidelines”) in March 2003. The Company’s corporate governance framework is largely consistent with the Council’s recommendations when taking into account the size and scope of the company. However, a number of changes have been or will be made as a result of this review or other recent governance developments. The Company and its controlled entities together are referred to as the Group in this statement.

A summary of the compliance status of the Group under the broad Principle headings as defined in the Guidelines is shown below.

### **Principle 1**

#### **Lay solid foundations for management and oversight**

The relationship between the Board and senior management is important to the Group’s long-term success. Day to day management of the Group’s affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director and senior executives.

The directors are responsible to the shareholders for the performance of the company in both the short and longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

#### **Role of the Board**

- (a) The Directors are responsible for the direction and supervision of SciGen’s business and for its overall corporate governance. This includes ensuring that internal controls and reporting procedures are adequate and effective. The Directors recognise the need to maintain the highest standards of behaviour, ethics and accountability.
- (b) The primary functions of the Board include:
  - (1) formulating and approving objectives, strategies and long-term plans for SciGen's continued development and operation, in conjunction with management;
  - (2) monitoring the implementation of these objectives, strategies and long-term plans to ensure SciGen, to the best of its ability, delivers shareholder value;
  - (3) approval of management recommendations on capital expenditure;
  - (4) monitoring SciGen’s overall performance and financial results, including adopting annual budgets and approving SciGen’s financial statements;
  - (5) ensuring that adequate systems of internal control exist and are appropriately monitored for compliance;
  - (6) selecting and reviewing the performance of the Managing Director and reviewing the performance of senior operating management;
  - (7) ensuring significant business risks are identified and appropriately managed;
  - (8) ensuring that SciGen meets the statutory, regulatory and reporting requirements of the ASX and requirements under Australian and Singaporean Corporations law;
  - (9) ensuring that SciGen, its Directors, officers, employees and associates are aware of and comply with all relevant laws and regulations;

**SciGen Ltd and controlled entities**  
**Corporate Governance Statement**  
(continued)

- (10) reporting to Shareholders on performance; and
- (11) deciding the payment of dividends to Shareholders.
- (c) The Board consists of the Chairman (Non-Executive), Managing Director, Vice Chairman (who is an executive director) and six other non-executive Directors. The term of Directors' appointments is governed by SciGen's Constitution. At least one third of Directors, other than the Managing Director, must retire and seek re-election at each Annual General Meeting of SciGen. Mr Paul Freiman and Mr. Kenneth Gross, having attained the age of 70 years, are required to seek re-election annually, under the provision of the Singapore Companies Act.
- (d) The Board has established an Audit Committee and a Remuneration Committee. From time to time, the Board may determine to establish specific purpose sub-committees to deal with specific issues.

**Principle 2**  
**Structure the Board to add value**

***Board members***

Details of the members of the Board, their experience, expertise, qualifications are set out in the directors' report under the heading "Information on directors". There are seven non-executive directors (inclusive of the Chairman), two of whom are deemed independent under the principles set out in the Guidelines, and two executive directors at the date of signing the directors' report.

***Directors' independence***

The Board does not comprise of a majority of independent directors as defined by the Corporate Governance Council Guidelines. However the Board believes that the composition of the Board currently brings the right mix of complementary skills, experience and representation for the Company and its shareholders at this point in its life.

***Term of office***

The company's Constitution specifies that at least one third of directors (with the exception of the Managing Director) must retire from office at each annual general meeting (AGM). Where eligible, a director may stand for re-election subject to the following limitation imposed by Singapore Companies Act:

- on attaining the age of 70 years a director will retire at each AGM and may seek re-election.

***Roles of the Chairman and Chief Executive Officer (CEO)***

The Chairman is responsible for leading the Board, ensuring that Board activities are organised and efficiently conducted and for ensuring directors are properly briefed for meetings. The CEO is responsible for implementing Group strategies and policies.

***Commitment***

The Board held 8 board meetings and an additional corporate strategy workshop during the year.

The number of meetings of the company's Board of directors and of each board committee held during the year ended 30 June 2004, and the number of meetings attended by each director is disclosed on page 11.

It is the company's practice to allow its executive directors to accept appointments outside the company with prior written approval of the Chairman.

## **SciGen Ltd and controlled entities Corporate Governance Statement**

(continued)

### ***Conflict of interests***

Entities connected with Mr. Kenneth Gross, Mr. Saul A. Mashaal and Mr. Paul Freiman had business dealings with the Company and the Group during the year, as described in note 25 to the financial statements. In accordance with the Board charter the directors concerned declare their interests in those dealings to the company and take no part in decisions relating to them or the preceding discussions.

### ***Independent professional advice***

Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

### ***Nomination Committee***

The Company does not have a formally constituted nomination committee given the early stage of the Company's development and the complete nature of the Board composition currently. When new directors are required, the Board will appoint a nomination committee to consider membership.

### ***Scientific Advisory Board***

The Group has a pool of expert scientists known collectively as the Scientific Advisory Board. These scientists are able to be accessed by the Group to seek expert scientific advice related to the Group's activities. The members of the panel are:-

- Professor Marian Gorecki
- Professor Chan Soh Ha
- Professor Daniel Shouval
- Professor David J Handelsman

### ***Performance assessment***

It is intended that the Board will undertake an annual self-assessment of its collective performance. The process may be facilitated by an independent third party.

In addition, each board committee will undertake an annual self assessment on the performance of the committee and achievement of committee objectives.

The Chairman intends to annually assess the performance of individual directors and meet privately with each director to discuss this assessment. The Chairman's performance will be reviewed by the Board.

## **Principle 3 Promote ethical and responsible decision-making**

### **Code of Conduct**

The company has developed a Code of Conduct (the Code) which has been reviewed by the Board and will apply to all directors and employees. This will be progressively rolled-out through the Group. The Code will be regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

In summary, the Code requires that at all times all company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies.

The purchase and sale of company securities by directors and employees is only permitted during the thirty day period following the release of the half-yearly and annual financial results to the market. Any transactions undertaken must be notified to the company secretary in advance.

The directors are satisfied that the Group has complied with the policies on ethical standards, including trading in securities.

**SciGen Ltd and controlled entities**  
**Corporate Governance Statement**  
(continued)

**Principle 4**

**Safeguard integrity in financial reporting**

***Board committees***

The Board has established two committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of the Board are the Remuneration and Audit committees. Each is comprised entirely of non-executive directors.

Committee charters have been written setting out each committees' role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. These charters will be available on the Company's website. Matters determined by committees are submitted to the full board as recommendations for board decision, as required unless the Board has delegated the authority for a decision to the appropriate committee.

Minutes of committee meetings are tabled at subsequent board meetings.

**Audit committee**

The non-executive directors on the committee are:

Mr. Barrie R. Martin (Chairman)  
Mr. Christopher D. Wilks  
Mr. Kenneth Gross

Details of these directors' qualification, expertise, experience and attendance at audit committee meetings are set out in the directors' report on pages 8 - 11. The Chairman is an independent director. The other members have been selected because of the particular skills and experience they contribute to the committee.

The Managing Director, Chief Financial Officer and Auditor attend Audit Committee Meetings as required throughout the year. Time is allocated for the Audit Committee to meet with the Auditor without management being present. The responsibilities of the Audit Committee are to:

- (a) assist the Board to discharge fiduciary responsibilities with regard to SciGen's accounting, control and reporting practices by monitoring the internal control environment and management over corporate assets;
- (b) review internal controls and any changes thereto approved and submitted by SciGen's Chief Financial Officer;
- (c) provide assurance regarding the quality and reliability of financial information used by the Board to enable the Board to maintain confidence in the financial reports;
- (d) oversee the activities of the external audit staff of SciGen and to review SciGen's risk management policies and internal control processes;
- (e) review and recommend to the Board the adoption of SciGen's annual financial statements; and
- (f) liaise with and review the performance of the external auditor, who may be invited to attend Audit Committee meetings to discuss financial matters and business risk.

## **SciGen Ltd and controlled entities Corporate Governance Statement (continued)**

### ***Corporate reporting***

The Managing Director and CFO have made the following certifications in writing to the Board:

- that the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group and are in accordance with relevant accounting standards.
- that the above statements founded on sound system of risk management and internal compliance and control and which implement the policies adopted and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material aspects.

### **External auditors**

The company and audit committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually, taking into consideration assessment of performance and existing value. PricewaterhouseCoopers were appointed as the external auditors in 2 August 1999. It is PricewaterhouseCoopers policy to rotate audit engagement partners on listed companies at least every seven years and under CLERP 9, this will become every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in note 21 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the audit committee.

### **Risk assessment and management**

The Board is responsible for ensuring there are adequate policies in relation to risk oversight and management, and internal control systems. In summary, the company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, addressed and monitored to enable achievement of the Group's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the code of conduct is required at all times and the Board actively promotes a culture of quality and integrity.

### **Remuneration committee**

The remuneration committee consists of the following non-executive directors:

Mr. Barrie R. Martin (Chairman)  
Mr. R. Peter Campbell  
Mr. Paul Freiman  
Mr. S Iswaran

Details of these directors' qualifications, experience and attendance at remuneration committee meetings are set out in the directors' report on pages 8 - 11.

The remuneration committee advises the Board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors.

Each member of the senior executive team signs a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description.

Executive remuneration and other terms of employment are reviewed annually by the committee having regard to personal and corporate performance, contribution to long term growth, relevant comparative information and independent expert advice. As well as a base salary, remuneration packages may include superannuation, retirement and termination entitlements, performance-related bonuses and fringe benefits. Executives are also eligible to participate in the Employee Share Option Plan. Information relating to these schemes is set out in note 29 to the financial statements.

**SciGen Ltd and controlled entities**  
**Corporate Governance Statement**  
(continued)

Further information on directors' and executives' remuneration is set out in the directors' report and notes 19 and 20 to the financial statements.

**Principle 5**

**Make timely and balanced disclosure**

*Continuous disclosure and shareholder communication*

The Managing Director has been nominated as the person responsible for communications with the Australian Stock Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

The company complies with written policies and procedures of the ASX on information disclosure that focus on continuous disclosure of any information concerning the company and its controlled entities that a reasonable person would expect to have a material effect on the price of the company's securities.

All information disclosed to the ASX is posted on the company's web site as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the company's web site.

All shareholders receive a copy of the company's annual report unless they have indicated otherwise. In addition, the company seeks to provide opportunities for shareholders to participate through electronic means. All recent company announcements, media briefings, details of company meetings, press releases and financial reports are available on the company's website [www.scigen.com.au](http://www.scigen.com.au).

The website also includes a feedback mechanism and an option for shareholders to register their email address for email updates of company matters.

**Principle 6**

**Respect the rights of shareholders**

The Company has developed a website which contains sections dealing specifically with investor information.

All ASX and other important announcements are published on the website simultaneously with their release into the public domain.

Shareholders can also email the company and receive updates or answers to specific questions where appropriate.

In terms of external audit, a formal invitation has been extended by the Board to the Audit Partner at PricewaterhouseCoopers to attend the annual general meeting of the Company and through the Chairman will be available to answer questions relating to the conduct of the audit.

**Principle 7**

**Recognise and manage risk**

SciGen is committed to the management of risks to protect its employees, assets, earnings, markets, reputation and the environment.

**SciGen Ltd and controlled entities**  
**Corporate Governance Statement**  
(continued)

The Board has implemented risk management procedures throughout the company that aim to identify the sources of risk and loss, quantify the impact of these sources and control and reduce the risk through practical and cost effective control measures. This will continue to be reviewed and enhanced.

In addition, SciGen uses risk-financing techniques, including insurance, to reduce the financial impact of any uncontrollable or catastrophic losses.

The audit committee of the Board currently accepts the role and responsibility of over sighting the control of financial risk. The committee ensures that adequate internal controls and risk-financing measures (such as insurance) are in place. These measures provide some protection against financial events.

In terms of more general risk management, managers in each country where SciGen employs staff are responsible for conforming to local occupational health and safety requirements. Given the relatively small size of the company and its geographic diversity it is not considered useful to constitute a formal Risk Management Committee at this point.

The existing policies and procedures will be consolidated into a document for presentation to the Audit Committee during the next year. Further risk policy development will be undertaken in consultation with the Audit Committee and Board as appropriate.

**Principle 8**

**Encourage enhanced performance**

The Chairman of SciGen has the responsibility of reviewing the performance of each director.

The Managing Director is assessed annually and the Remuneration Committee which makes certain recommendations regarding salary adjustments. The Managing Director undertakes an annual review (using a structured system) of his direct reports.

Each year budgets provide for training and education of staff-both internally and externally.

**Principle 9**

**Remunerate fairly and responsibly**

The Annual Report of the Company contains detailed information of the remuneration of directors and senior executives. This information includes references to share option allocations.

The Audit Committee and the Board will review the term of any proposed scheme for the retirement benefits, other than the statutory superannuation, for non-executive directors.

**Principle 10**

**Recognise the legitimate interests of stakeholders**

The Company is in the process of implementing the policies of the Code of Conduct throughout the company. Recognition and stakeholder rights is a key element with this process.

## Auditors' Report to the Members of SciGen Ltd

We have audited the financial statements of SciGen Ltd and the consolidated financial statements of the Group for the financial year ended 30 June 2004 set out on pages 24 to 51. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accompanying financial statements of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act ("the Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group at 30 June 2004, the results, cash flows and changes in equity of the Company and of the Group for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

Sydney  
15 September 2004

# SciGen Ltd ARBN 101318852

## Financial Report – 30 June 2004

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This financial report covers both SciGen Ltd as an individual entity (the Company) and the Group consisting of SciGen Ltd and its controlled entities.

SciGen Ltd is a company limited by shares, incorporated and domiciled in Singapore. Its registered office and principal place of business is:

SciGen Ltd  
152 Beach Road  
#26-07/08 Gateway East  
Singapore 189721

Accordingly all amounts in these financial statements are in Singapore Dollars (S\$).

A description of the nature of the Company and the Group's operations and its principal activities is included in the directors' report on pages 3 - 14, which are not part of this financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available at our Shareholders' Centre on our website: [www.scigenltd.com](http://www.scigenltd.com)

For queries in relation to our reporting please call (65) 6779 6638 or (61) 2-9234-1700 or e-mail [scigenmail@scigen.com.au](mailto:scigenmail@scigen.com.au).

**SciGen Ltd and controlled entities**  
**Income Statements (In Singapore dollars)**  
**For the year ended 30 June 2004**

	Notes	The Group		The Company	
		2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>Revenue from ordinary activities (including finance income)</b>	3	<b>6,479</b>	3,611	<b>4,686</b>	2,755
Changes in inventories		(125)	461	(223)	423
Purchases		(2,317)	(1,285)	(2,132)	(1,273)
Employee benefits expense (staff costs)		(4,089)	(3,424)	(2,854)	(2,435)
Depreciation and amortisation expenses		(286)	(265)	(258)	(243)
Other expenses	4	(3,952)	(3,708)	(3,340)	(4,326)
<b>Loss from operating activities</b>		<b>(4,290)</b>	(4,610)	<b>(4,121)</b>	(5,099)
Borrowing costs expense (finance costs)	5	(21)	(261)	(20)	(244)
<b>Loss from ordinary activities before related income tax expense</b>	5	<b>(4,311)</b>	(4,871)	<b>(4,141)</b>	(5,343)
Income tax expense	6	-	(10)	-	(10)
<b>Net loss</b>		<b>(4,311)</b>	(4,881)	<b>(4,141)</b>	(5,353)
		<b>S Cents</b>	S Cents		
Basic earnings per share	28	<b>(1.029)</b>	(1.350)		
Diluted earnings per share	28	<b>(1.029)</b>	(1.350)		

*The accompanying notes formed an integral part of these financial statements.*  
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**SciGen Ltd and controlled entities**  
**Balance Sheets (In Singapore dollars)**  
**As at 30 June 2004**

	Notes	The Group		The Company	
		2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>CURRENT ASSETS</b>					
Cash assets	7	<b>9,555</b>	17,369	<b>9,339</b>	17,199
Receivables	8	<b>1,475</b>	917	<b>796</b>	677
Inventories	9	<b>466</b>	591	<b>269</b>	493
Others	10	<b>621</b>	368	<b>406</b>	221
Total current assets		<b>12,117</b>	19,245	<b>10,810</b>	18,590
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	11	-	-	<b>3,086</b>	2,219
Fixed assets	12	<b>191</b>	191	<b>116</b>	101
Intangible assets	13	<b>22,557</b>	22,778	<b>22,557</b>	22,778
Total non-current assets		<b>22,748</b>	22,969	<b>25,759</b>	25,098
<b>Total assets</b>		<b>34,865</b>	42,214	<b>36,569</b>	43,688
<b>CURRENT LIABILITIES</b>					
Payables	14	<b>2,238</b>	4,426	<b>2,014</b>	4,108
Provisions	15	<b>419</b>	415	<b>217</b>	247
Total current liabilities		<b>2,657</b>	4,841	<b>2,231</b>	4,355
<b>NON-CURRENT LIABILITIES</b>					
Payables	16	<b>429</b>	1,283	<b>429</b>	1,283
Total non-current liabilities		<b>429</b>	1,283	<b>429</b>	1,283
<b>TOTAL LIABILITIES</b>		<b>3,086</b>	6,124	<b>2,660</b>	5,638
<b>NET ASSETS</b>		<b>31,779</b>	36,090	<b>33,909</b>	38,050
<b>EQUITY</b>					
Parent entity interest					
Contributed equity	17	<b>550</b>	550	<b>550</b>	550
Share premium reserve	18(a)	<b>52,863</b>	52,863	<b>52,863</b>	52,863
Accumulated losses	18(b)	<b>(21,634)</b>	(17,323)	<b>(19,504)</b>	(15,363)
Total parent entity interest		<b>31,779</b>	36,090	<b>33,909</b>	38,050
<b>Total equity</b>		<b>31,779</b>	36,090	<b>33,909</b>	38,050

*The accompanying notes form an integral part of these financial statements.*  
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**SciGen Ltd and controlled entities**  
**Statements of Changes in Equity (In Singapore dollars)**  
**For the year ended 30 June 2004**

<b>The Group</b>	<b>Share Capital S\$ '000</b>	<b>Share Premium S\$ '000</b>	<b>Accumulated Losses S\$ '000</b>	<b>Total S\$ '000</b>
Balance at 1 July 2003	550	52,863	(17,323)	36,090
Net loss and total recognised loss for the financial year	-	-	(4,311)	(4,311)
Balance at 30 June 2004	<b>550</b>	<b>52,863</b>	<b>(21,634)</b>	<b>31,779</b>
Balance at 1 July 2002	353	23,330	(12,442)	11,241
Net loss and total recognised loss for the financial year	-	-	(4,881)	(4,881)
Issue of ordinary shares	197	29,533	-	29,730
Balance at 30 June 2003	<b>550</b>	<b>52,863</b>	<b>(17,323)</b>	<b>36,090</b>
<b>The Company</b>	<b>Share Capital S\$ '000</b>	<b>Share Premium S\$ '000</b>	<b>Accumulated Losses S\$ '000</b>	<b>Total S\$ '000</b>
Balance at 1 July 2003	550	52,863	(15,363)	38,050
Net loss and total recognised loss for the financial year	-	-	(4,141)	(4,141)
Balance at 30 June 2004	<b>550</b>	<b>52,863</b>	<b>(19,504)</b>	<b>33,909</b>
Balance at 1 July 2002	353	23,330	(10,010)	13,673
Net loss and total recognised loss for the financial year	-	-	(5,353)	(5,353)
Issue of ordinary shares	197	29,533	-	29,730
Balance at 30 June 2003	<b>550</b>	<b>52,863</b>	<b>(15,363)</b>	<b>38,050</b>

*The accompanying notes form an integral part of these financial statements.*  
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**SciGen Ltd and controlled entities**  
**Cash Flows Statements (In Singapore dollars)**  
**For the year ended 30 June 2004**

	Notes	The Group		The Company	
		2004	2003	2004	2003
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive of goods and services tax)		5,432	1,992	4,264	1,962
Payments to suppliers and employees (inclusive of goods and services tax)		(10,383)	(8,705)	(8,404)	(7,107)
		(4,951)	(6,713)	(4,140)	(5,145)
Interest received		307	238	300	234
Other revenue		-	8	-	5
Borrowing costs		(21)	(557)	(20)	(541)
Income taxes paid		-	(10)	-	(10)
<b>Net cash outflows from operating activities</b>	27	<b>(4,665)</b>	<b>(7,034)</b>	<b>(3,860)</b>	<b>(5,457)</b>
<b>Cash flows from investing activities</b>					
Payment for purchase of controlled entity, net of cash acquired		-	-	-	(398)
Payments for property, plant and equipment		(81)	(88)	(65)	(56)
Payments for patents and trademarks		(3,071)	(434)	(3,071)	(434)
Loan to related parties		-	-	(867)	(1,310)
Proceeds from sale of property, plant and equipment		-	2	-	4
Repayment of loans by related parties		3	14	3	14
<b>Net cash outflows from investing activities</b>		<b>(3,149)</b>	<b>(506)</b>	<b>(4,000)</b>	<b>(2,180)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issues of shares and other equity securities		-	29,730	-	29,730
Proceeds from borrowings		-	2,252	-	1,724
Repayment of borrowings		-	(7,452)	-	(6,845)
<b>Net cash inflows from financing activities</b>		<b>-</b>	<b>24,530</b>	<b>-</b>	<b>24,609</b>
<b>Net increase (decrease) in cash held</b>		<b>(7,814)</b>	16,990	<b>(7,860)</b>	16,972
Cash at the beginning of the financial year		17,369	379	17,199	227
<b>Cash at the end of the financial year</b>	7	<b>9,555</b>	17,369	<b>9,339</b>	17,199

*The accompanying notes form an integral part of these financial statements.*  
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**SciGen Ltd and controlled entities**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2004**

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**SciGen Ltd and controlled entities**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2004**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**Note 1 Summary of significant accounting policies**

**(a) Effect of changes in Singapore Companies Legislation**

Pursuant to the Singapore Companies (Amendment) Act 2002, with effect from financial year commencing on or after 1 January 2003, Singapore-incorporated companies are required to prepare and present their statutory accounts in accordance with the Singapore Financial Reporting Standards ("FRS"). Hence, these financial statements, including the comparative figures, have been prepared in accordance with FRS.

Previously the Company and the Group prepared their statutory accounts in accordance with Singapore Statements of Accounting Standard. The adoption of FRS does not have material impact on the accounting policies and figures presented in the statutory accounts for the financial year ended 30 June 2003.

**(b) Basis of preparation**

The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with Singapore Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current event and actions, actual results may ultimately differ from those estimates.

The financial statements are expressed in Singapore Dollars.

During the year, the Company incurred operating losses and negative cash flows. Subsequent to the year end, the Company is finalising the placement agreement with a strategic investor regarding a cash investment into the Company. The strategic investor has completed its due diligence and the Company is working towards concluding the transaction for the placement as well as a rights issue. This will further improve the cash position of the Company and allow additional development projects to be undertaken. The cash flow position of the Company is regularly monitored by the directors and expenditure on new development projects is managed to ensure that the Company is able to meet its debts as and when they fall due. Accordingly the financial statements have been prepared on a going concern basis.

**(c) Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. Subsidiaries are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated, unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

**(d) Deferred income tax**

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

## **Note 1      Summary of significant accounting policies (continued)**

### **(e) Foreign currency translation**

#### *(i) Measurement currencies*

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of underlying events and circumstances relevant to that entity (“the measurement currency”). The consolidated financial statements are presented in Singapore Dollars, which is the measurement currency of the Company.

#### *(ii) Transactions and balances*

Transactions in foreign currencies during the financial year are converted to the measurement currency at the rates of exchange prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the balance sheet date. Exchange differences arising are taken to the income statements.

#### *(iii) Foreign controlled entities*

For the purpose of consolidation of foreign subsidiaries, whose operations are an integral part of the Company’s operations, the balance sheets are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date, except for plant and equipment, licences, share capital and share premium which are stated at historical cost, and the results are translated using the average exchange rates during the financial year. The exchange differences arising on translation of foreign subsidiaries are taken to the consolidated income statement.

### **(f) Revenue recognition**

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue from the sale of product is recognised at the time of delivery. For sales on consignment, the revenue is recognised when the products are delivered by the distributors to their customers.

Interest income is accrued on a day to day basis.

### **(g) Cash**

For purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

### **(h) Receivables**

All trade debtors are recognised at the amounts receivable and they are generally settled within 30 - 120 days depending upon the credit terms per territory.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible are written off in the period in which they are identified. A provision for doubtful debts is raised for any doubtful debts following a review of all outstanding amounts at balance sheet date.

### **(i) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition.

Allowance for obsolete, slow-moving and defective inventories is made where necessary.

## **Note 1      Summary of significant accounting policies (continued)**

### **(j)      Investments**

Investments in subsidiaries are stated at cost less impairment losses in the Company's balance sheet. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of an investment the difference between net disposal proceeds and its carrying amount is taken to the income statement.

### **(k)      Fixed assets and depreciation**

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is calculated on a straight-line basis to write off the cost of the fixed assets over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Plant and Machinery	5 years
Office Equipment	5 years
Office Furniture & Fittings	5 – 10 years

Repairs and maintenance are taken to the income statement during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of originally assessed standard of performance of the existing asset will flow to the Group, and depreciated over the remaining useful life of the asset.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations.

### **(l)      Accounting for Leases**

Operating lease payments are charged to the income statements on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

### **(m)      Licences**

The initial costs of acquiring licence rights are capitalised and stated at cost less accumulated amortisation. The costs of licence rights are amortised on a straight-line basis and charged to the income statements over their estimated periods of right of use, which range from 8 to 20 years. The amortisation commences from the dates the products have been marketed, following the successful registrations of the products in any country or group of countries according to the licence agreements. Where an indication of impairment exists, the carrying amount of a licence right is assessed and written down to its recoverable amount.

### **(n)      Impairment of assets**

At each balance sheet date, the Company and the Group reviews all the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

## **Note 1      Summary of significant accounting policies (continued)**

**(o) Trade and other creditors**

These amounts represent liabilities for goods and services provided to the Company and the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid between 30 – 60 days of recognition.

**(p) Employee benefits**

*(i) Employee leave entitlement*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

*(ii) Equity compensation benefits*

No compensation expense is recognised when share options are issued under SciGen Ltd Employee Share Option Scheme. When the options are exercised, the proceeds received net of any transaction costs are taken to share capital (nominal value) and share premium.

**(q) Borrowing costs**

Borrowing costs are recognised as expenses in the period in which they are incurred.

**(r) Earnings per share**

*(i) Basic earnings per share*

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

*(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**(s) Provisions**

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

**(t) Research and development**

Given the current stage of development of the Group, all research and development costs are expensed as incurred.

## **Note 1      Summary of significant accounting policies (continued)**

### **(u) IFRS transition**

As a Singapore incorporated entity, SciGen Ltd is required to prepare and present its statutory accounts in accordance with the Singapore Financial Reporting Standards (“FRSs”). FRSs are closely modelled after the International Accounting Standards (“IASs”) and International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board. As part of this process a number of new accounting standards have been issued which will apply from 1 January 2005.

The adoption of these standards will be reflected for the year ending 30 June 2006. Major changes identified to date that will be required to the Company’s existing accounting policies include:

1. *Share-based payment*  
Equity-based compensation will be required to be recognised as an expense for all options and share rights granted to employees. Share options will be measured at fair value at grant date using an option pricing model.
2. *Foreign currency*  
Upon adoption of IFRS the subsidiaries’ balance sheet and profit and loss will be translated as following:
  - Assets, liabilities and contributed equity will be translated using closing rates at reporting date;
  - Income and expenses will be translated using the actual or average rates;
  - Retained profits will be translated at cumulative average rates; and
  - Exchange differences will be recognised as a separate component of equity.

## **Note 2      Segment information**

### **Business segments**

The Company and the Group operates in one business segment being the Bio-technology derived pharmaceutical industry.

### **Geographical segments**

The Company and the Group’s operates predominately in the following main geographical areas:

#### ***Singapore***

The home country of the parent entity which is also the main operating entity. The areas of operation are principally corporate office functions and sales & marketing.

#### ***Australia***

Includes sales and marketing activities.

#### ***Korea***

Includes sales and marketing activities.

#### ***Vietnam***

Includes sales and marketing activities.

#### ***Others***

Comprises operations carried on in Hong Kong, Philippines, India, Indonesia, Pakistan and other countries in South East Asia.

## Note 2 Segment information (continued)

### Primary reporting – geographical segments

	Singapore		Australia		Korea		Vietnam		Other/ Inter- segment Eliminations/ unallocated		Consolidated	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Sales to external customers	379	275	2,562	1,295	1,438	193	755	406	1,038	498	6,172	2,667
Intersegment sales	1,147	771	-	-	-	-	-	-	(1,147)	(771)	-	-
Total sales revenue	1,526	1,046	2,562	1,295	1,438	193	755	406	(109)	(273)	6,172	2,667
Segment result	(100)	(76)	1,436	597	87	(377)	(47)	(104)	(447)	(482)	929	(442)
Unallocated revenue less unallocated expenses											(5,240)	(4,429)
Profit from ordinary activities before related income tax expense											(4,311)	(4,871)
Income tax expense											-	(10)
Net loss											(4,311)	(4,881)
Segment assets	9,910	17,961	655	401	888	125	444	307	(1,688)	176	10,209	18,970
Unallocated assets											24,656	23,244
Consolidated Total assets											34,865	42,214
Segment liabilities	(3,428)	(2,858)	(340)	(1,267)	38	(57)	(27)	(32)	792	(149)	(2,965)	(4,363)
Unallocated liabilities											(121)	(1,761)
Consolidated Total liabilities											(3,086)	(6,124)
Depreciation and amortisation expense	(1)	(1)	(1)	(1)	(6)	(5)	(6)	(4)	(272)	(254)	(286)	(265)
Capital Expenditure on Property, Plant and Equipment/Intangibles	2	5	11	28	5	1	8	25	55	1,779	81	1,838

#### (a) Accounting policies

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment, net of related provisions. Segment liabilities consist primarily of trade and other creditors and employee entitlements.

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an “arm’s-length” basis and are eliminated on consolidation.

## Note 3 Revenue

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Revenue from operating activities				
Sale of goods	6,172	2,667	4,386	1,949
Revenue from outside the operating activities				
Interest	307	238	300	234
Net foreign exchange gain	-	706	-	572
Revenue from ordinary activities	6,479	3,611	4,686	2,755

## Note 4 Other expenses from ordinary activities

	The Group		The Company	
	2004 S\$ '000	2003 S\$ '000	2004 S\$ '000	2003 S\$ '000
Professional & Consultancy Fees	564	1,051	465	1,015
Business Development Expenses	1,521	1,170	1,012	810
Insurance Premium	156	129	132	129
Rental Expenses	337	291	123	120
Administrative Expenses	646	544	980	804
Net Foreign Exchange Loss	189	-	145	-
Others	539	523	483	1,448
	<b>3,952</b>	<b>3,708</b>	<b>3,340</b>	<b>4,326</b>

## Note 5 Loss from ordinary activities

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Loss from ordinary activities is arrived at after:				
<i>Charging:</i>				
Auditors' remuneration				
- Auditor fees	102	61	91	61
- Non audit fees	37	154	25	154
Depreciation				
- Motor vehicles	-	1	-	1
- Plant and machinery	6	6	5	6
- Office equipment	51	45	27	27
- Office furniture and fittings	8	8	5	5
Net loss on disposal of fixed assets	16	14	13	13
Amortisation of licences	221	205	221	205
Directors' remuneration	1,222	811	1,089	780
Professional fees paid to directors	165	188	165	188
Professional fees paid to a corporation in which a director has an interest	232	229	232	229
Net foreign exchange losses	189	-	145	-
Rental expenses – operating leases	337	291	123	120
Bad debts written off	1	8	-	7
Provision for diminution in investment	-	-	-	1,144
Research and development	196	97	750	538
Defined contribution plans				
- Superannuation expenses of defined plans including Central Provident Fund	170	149	101	96
Interest Expense				
- Related entities	-	249	-	233
- Others persons	21	12	20	11

## Note 6 Income tax

Tax expense of S\$Nil (2003: S\$9,556) has been recognised relating to the withholding tax on our interest income from the fixed deposit account in Australia.

There is no tax expense on the results for the financial year for the Group and the Company as the Company and its subsidiaries have all incurred losses for tax purposes.

The Company has unutilised tax losses of approximately S\$16,166,613 (2003: S\$12,584,825) available for offsetting against future taxable income, subject to there being no substantial change in shareholders, confirmation by relevant tax authorities and the fulfilment of certain conditions. Deferred tax benefits on these unutilised tax losses, amounting to approximately S\$3,556,655 (2003: S\$2,768,662), have not been recognised by the Company.

The Group has unutilised tax losses of approximately S\$20,456,869 (2003: S\$16,868,757) available for offsetting against future taxable income, subject to there being no substantial change in shareholders, confirmation by relevant tax authorities and the fulfilment of certain conditions. Deferred tax benefits on these unutilised tax losses, amounting to approximately S\$4,500,511 (2003: S\$3,711,126), have not been recognised by the Group.

## Note 7 Current assets – Cash assets

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Cash at bank and on hand	515	591	299	420
Deposits at call	9,040	16,778	9,040	16,779
	<b>9,555</b>	<b>17,369</b>	<b>9,339</b>	<b>17,199</b>

The deposits are bearing floating interest rates between 0.625 % and 5.04 % per annum (2003 : 0.63% and 4.33% per annum).

## Note 8 Current assets – Receivables

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Trade debtors	1,369	807	688	567
Amounts due from directors or director of related entity	333	335	333	335
Less: Provision for doubtful debts	(227)	(225)	(225)	(225)
	<b>106</b>	<b>110</b>	<b>108</b>	<b>110</b>
	<b>1,475</b>	<b>917</b>	<b>796</b>	<b>677</b>

Concentrations of credit risk with respect to trade receivables are limited to the Group's large number of customers, who are internationally dispersed, cover a large spectrum of manufacturing and distribution and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and Company's trade receivables.

**Note 9 Current assets – Inventories**

	<b>The Group</b>		<b>The Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Finished goods – at cost	<b>466</b>	<b>591</b>	<b>269</b>	<b>493</b>

**Note 10 Current assets – Others**

	<b>The Group</b>		<b>The Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Sundry Deposits	<b>192</b>	<b>147</b>	<b>162</b>	<b>116</b>
Other Debtors	<b>83</b>	<b>52</b>	<b>-</b>	<b>1</b>
Staff Advances	<b>4</b>	<b>50</b>	<b>3</b>	<b>49</b>
Prepayments	<b>342</b>	<b>119</b>	<b>241</b>	<b>55</b>
	<b>621</b>	<b>368</b>	<b>406</b>	<b>221</b>

**Note 11 Non-current assets - Investments in subsidiaries**

	<b>The Company</b>	
	<b>2004</b>	<b>2003</b>
	<b>S\$ '000</b>	<b>S\$ '000</b>
Unquoted equity shares, at cost	<b>1,144</b>	<b>1,144</b>
Less: Provision in diminution in investment	<b>(1,144)</b>	<b>(1,144)</b>
	<b>-</b>	<b>-</b>
Advance to a subsidiary	<b>3,086</b>	<b>2,219</b>
	<b>3,086</b>	<b>2,219</b>

The advance to a subsidiary is unsecured and interest free. There are no fixed terms of repayment but repayment is not expected within the next 12 months from the balance sheet date.

## Note 12 Non-current assets –Fixed assets

### (a) The Group

	Plant and machinery S\$ '000	Office equipment S\$ '000	Office furniture & fittings S\$ '000	Total S\$ '000
<u>Cost</u>				
At 1 July 2003	28	253	64	345
Additions	-	48	33	81
Disposal	-	(14)	(30)	(44)
At 30 June 2004	28	287	67	382
<u>Accumulated Depreciation</u>				
At 1 July 2003	14	115	25	154
Depreciation charge	6	51	8	65
Disposals	-	(9)	(19)	(28)
At 30 June 2004	20	157	14	191
<u>Net book value</u>				
<b>At 30 June 2004</b>	<b>8</b>	<b>130</b>	<b>53</b>	<b>191</b>
<u>Net book value</u>				
At 30 June 2003	14	138	39	191

### (b) The Company

	Plant and machinery S\$ '000	Office equipment S\$ '000	Office furniture & fittings S\$ '000	Total S\$ '000
<u>Cost</u>				
At 1 July 2003	28	130	41	199
Additions	-	36	29	65
Disposals	-	(9)	(30)	(39)
At 30 June 2004	28	157	40	225
<u>Accumulated Depreciation</u>				
At 1 July 2003	14	64	20	98
Depreciation charge	5	27	5	37
Disposals	-	(7)	(19)	(26)
At 30 June 2004	19	84	6	109
<u>Net book value</u>				
<b>At 30 June 2004</b>	<b>9</b>	<b>73</b>	<b>34</b>	<b>116</b>
<u>Net book value</u>				
At 30 June 2003	14	66	21	101

## Note 13 Non-current assets – Licences

(a)	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<u>Cost</u>				
At 1 July	23,269	21,519	23,269	21,519
Additions	-	1,750	-	1,750
At 30 June	23,269	23,269	23,269	23,269
<u>Accumulated Amortisation</u>				
At 1 July	491	286	491	286
Amortisation charged	221	205	221	205
At 30 June	712	491	712	491
<b>Net Book Value</b>	<b>22,557</b>	<b>22,778</b>	<b>22,557</b>	<b>22,778</b>

(b) Type of licences in respect of biologics

	<u>Cost</u> S\$'000	<u>Duration of licences</u>
Rights to market and distribute	11,168	10-20 years from date of first approval for sales in specified group countries
Rights to market and distribute	2,633	10-20 years from date of first approval for sale in specified countries
Right to use technology to establish large scale production facility	7,753	10-20 years from date of approval in licensed territory. Renewable for additional period of 7 years for royalty payment and royalty free after 17 years.
Right to develop, manufacture, market, distribute and sell	1,715	99 years from 10 November 1993 (agreement date). Automatic renewal for 99 years
	<u>23,269</u>	

Some of the licences to market and distribute require the Company to obtain the relevant regulatory approvals in countries specified in the agreements within a specified period of time, failing which the licence agreements can be terminated. The countries are largely within the Asia Pacific region.

The licence with the right to use technology requires the Company to erect and operate a facility or use a Contract Manufacturer Organisation (CMO) with a minimal production capacity.

The licence with the right to develop and manufacture requires the Company to fund the development of the product undertaken by the licensor. The development fee is payable to the licensor in instalments over the stages of the development as stipulated in the licence agreement.

In assessing the carrying amount of the licences, the directors rely on the use of estimates of:

- the future cash inflows and outflows to be derived from the licences;
- the risk adjusted discount rate to be applied to these future cash flows; and
- the useful lives of these intangibles.

The directors consider that, in arriving at the above estimates, they have made the best assessment they can, taking into account of the conditions prevailing at 30 June 2004 and current information available to them, including an independent valuation carried out by Aoris Nova Pty Ltd on 27 May 2004 and reviewed as at 18 August 2004 which confirms that the fair value of the major licence is in excess of its carrying value.

### Note 13 Non-current assets – Licences (continued)

The financial obligations to the licensors arising from the acquisition of these licences are disclosed in notes 14 and 16 to the financial statements.

### Note 14 Current liabilities – Payables

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Trade creditors	679	797	560	519
Short-term portion of obligation to licensors	1,225	3,570	1,225	3,570
Other creditors	334	59	229	19
	<u>2,238</u>	<u>4,426</u>	<u>2,014</u>	<u>4,108</u>

The amount payable to licensors are unsecured and interest-free

### Note 15 Current liabilities – Provisions

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Employee benefits	336	227	135	74
Other accruals	83	188	82	173
	<u>419</u>	<u>415</u>	<u>217</u>	<u>247</u>

### Note 16 Non-current liabilities – Payables

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Long-term portion of obligations to licensors	<u>429</u>	<u>1,283</u>	<u>429</u>	<u>1,283</u>
The amount payable to licensors are unsecured, interest-free and payable as follows:				
Payable by 30 June 2005	-	1,283	-	1,283
Payable by 30 June 2006	429	-	429	-
Total	<u>429</u>	<u>1,283</u>	<u>429</u>	<u>1,283</u>

## Note 17 Contributed equity

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>(a) Share capital</b>				
<b>Authorised :</b>				
456,847,500 ordinary of S\$0.0013133 each	<b>600</b>	600	<b>600</b>	600
<b>Issued and Fully Paid :</b>				
At the beginning of financial year				
- 418,965,443 ordinary shares of S\$0.0013133 each (2003 : 35,324,535 ordinary "A" and "B" shares of S\$0.01 each)	<b>550</b>	353	<b>550</b>	353
Issue of shares during the financial year				
- Nil (2003 : 150,000,000 ordinary shares of S\$0.0013133 each)	-	197	-	197
At the end of financial year	<b>550</b>	550	<b>550</b>	550

On 31 October 2002, the Ordinary "A" and "B" shares were converted to ordinary shares and subdivided by 7.614250751. As a consequence of the subdivision, an additional 233,640,908 shares were issued.

### (b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### (c) Share Options

Information relating to the SciGen Ltd Class 1 to 9 options, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year are set out in note 29.

## Note 18 Share premium reserve and accumulated losses

	2004	2003	2004	2003
	S\$'000	S\$'000	S\$'000	S\$'000
<b>(a) Share Premium Reserve</b>				
Share Premium	<b>52,863</b>	52,863	<b>52,863</b>	52,863
<b>Movements:</b>				
Share Premium Reserve				
At 1 July	<b>52,863</b>	23,330	<b>52,863</b>	23,330
Share premium on shares allotted during the year	-	29,533	-	29,533
At 30 June	<b>52,863</b>	52,863	<b>52,863</b>	52,863

## Note 18 Share premium reserve and accumulated losses (continued)

	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>(b) Accumulated losses</b>				
At 1 July	(17,323)	(12,442)	(15,363)	(10,010)
Net losses attributable to members of SciGen Ltd	(4,311)	(4,881)	(4,141)	(5,353)
At 30 June	<u>(21,634)</u>	<u>(17,323)</u>	<u>(19,504)</u>	<u>(15,363)</u>

## Note 19 Remuneration of directors

	Directors of entities in the Company and the Group		Directors of the Company	
	2004 S\$	2003 S\$	2004 S\$	2003 S\$
Income paid or payable, or otherwise made available, to directors by entities in the Company and the Group and related parties in connection with the management of affairs of the parent entity or its controlled entities*	<u>1,619,465</u>	1,227,628	<u>1,485,961</u>	1,196,871

\*Excluding executives of the parent entity who are only directors of wholly-owned controlled entities.

The above remuneration includes consultancy fees for Mr. Saul A. Mashaal and Mr. Paul Freiman.

Options are granted to executive directors under the SciGen Class 1,7 & 8 options, details of which are set out in note 25. Details of options granted to and exercised by directors during the year ended 30 June 2004 are set out in note 25.

The amounts disclosed for remuneration of directors exclude the assessed fair values of options granted to directors during the year ended 30 June 2004 at the date they were granted as disclosed in the directors' report. Fair values have been independently determined using an appropriate option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the current price and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

## Note 20 Remuneration of executives

	Executive officers of the Group		Executive officers of the Company	
	2004 S\$	2003 S\$	2004 S\$	2003 S\$
Remuneration received, or due and receivable, from entities in the Company and the Group and related parties by executive officers (other than directors):				
Executive officers of the Company and the Group	<b>1,036,781</b>	1,144,840	<b>406,574</b>	665,090
	<b>Outstanding 30 June 2003</b>	<b>Granted</b>	<b>Exercised</b>	<b>Outstanding 30 June 2004</b>
Options Executive officers (other than directors) of the Company and the Group	1,500,000	1,125,000	-	2,625,000

## Note 21 Remuneration of auditors

	The Group		The Company	
	2004 S\$	2003 S\$	2004 S\$	2003 S\$
During the year the auditor of the parent entity and its related practices earned the following remuneration:				
<b>PricewaterhouseCoopers</b>				
Audit or review of the entity or any entity in the Company and the Group	<b>101,734</b>	61,249	<b>90,695</b>	61,249
Total audit and other assurance services	<b>101,734</b>	61,249	<b>90,695</b>	61,249
Other accounting advisory services (including costs associated with the spin-out of SciGen Ltd)	<b>37,063</b>	154,060	<b>25,410</b>	154,060
Total remuneration	<b>138,797</b>	215,309	<b>116,105</b>	215,309

## Note 22 Contingent liabilities

### Contingent liabilities

As at the balance sheet date, the Company has given an understanding to provide continuing financial support to its subsidiaries. The net liabilities of the subsidiaries at the balance sheet date amounted to S\$1,797,236 (2003: \$1,834,512).

## Note 23 Commitments for expenditures

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>Lease commitments</b>				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	279	166	94	45
Later than one year but not later than 5 years	572	-	163	-
	<b>851</b>	166	<b>257</b>	45
Representing:				
Non-cancellable operating leases	851	166	257	45
	<b>851</b>	166	<b>257</b>	45

## Note 24 Employee benefits

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>Employee benefit and related on-costs liabilities</b>				
Provision for employee benefits – current (note 15)	336	227	135	74
Aggregate employee entitlement and related on-costs liabilities	<b>336</b>	227	<b>135</b>	74
	<b>Number</b>		<b>Number</b>	
<b>Employee numbers</b>				
Average number of employees during the financial year	44	36	32	26

Set out below are summaries of options granted to executive directors and employees.

Grant date	Expiry date	Exercise price A\$	Balance at start 1 July 03 Number	Issued during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at end of the year Number
<b>Consolidated and parent entity – 2004</b>							
15 Nov 2002	15 Nov 2006	A\$0.20	8,379,311	-	-	-	8,379,311
15 Nov 2002	15 Nov 2006	A\$0.20	8,379,311	-	-	-	8,379,311
15 Nov 2002	15 Nov 2006	A\$0.20	1,500,000	-	-	-	1,500,000
31 Aug 2003	31 Aug 2007	A\$0.22	-	1,817,500	-	30,000	1,787,500
Total			18,258,622	1,817,500	-	30,000	20,046,122
<b>Consolidated and parent entity – 2003</b>							
15 Nov 2002	15 Nov 2006	A\$0.20	-	8,379,311	-	-	8,379,311
15 Nov 2002	15 Nov 2006	A\$0.20	-	8,379,311	-	-	8,379,311
15 Nov 2002	15 Nov 2006	A\$0.20	-	1,500,000	-	-	1,500,000
Total			-	18,258,622	-	-	18,258,622

## Note 25 Related parties

### Directors

The names of persons who were directors of SciGen Ltd at any time during the financial year are as follows: Mark R. Compton, Saul A. Mashaal; Paul Freiman, Barrie R. Martin; Colin S. Goldschmidt; Christopher D. Wilks; R. Peter Campbell; Kenneth Gross; and S. Iswaran. All of these persons were also directors during the year ended 30 June 2004, except for S. Iswaran who was appointed on 31 October 2002 and 1 January 2003 respectively.

### Remuneration and retirement benefits

Information on remuneration of directors is disclosed in notes 19.

### Loans to directors and director-related entities

Loans to directors of entities in the Company and the Group and their director-related entities disclosed in note 8 :

	The Group		The Company	
	2004 S\$ '000	2003 S\$ '000	2004 S\$ '000	2003 S\$ '000
Amounts due from Director-related entities (Unsecured)	333	335	333	335
Less : Provision for doubtful debts	(225)	(225)	(225)	(225)
	<u>108</u>	<u>110</u>	<u>108</u>	<u>110</u>

### Transactions of directors and director-related entities concerning shares or share options

Aggregate numbers of shares and share options of SciGen Ltd acquired or disposed of by directors of the company and Company and the Group or their director-related entities from the company:

	The Group and The Company	
	2004 Number	2003 Number
<b>Acquisitions</b>		
Ordinary shares	-	1,405
Class 1, 7, 8 & 9 options over ordinary shares	1,000,000	18,258,622

The establishment of the Class 1, 7 & 8 SciGen Ltd Options scheme were approved by shareholders at the extraordinary general meetings held on 15 November 2002. The Class 9 SciGen Ltd Options scheme was approved by the shareholders at the annual general meeting held on 18 November 2003. The terms and conditions of these schemes are described in note 29. All other transactions relating to shares and options of the company, including the payment and receipt of dividends, were on the same basis as similar transactions with other shareholders.

Aggregate numbers of shares and share options of SciGen Ltd held directly, indirectly or beneficially by directors of the company or the Company and the Group or their director-related entities at balance date:

	2004	2003
	Number	Number
Ordinary shares		
Saul A. Mashaal	108,931,015	108,931,015
Colin S. Goldschmidt	950,000	950,000
Christopher D. Wilks	623,000	623,000
Kenneth Gross	108,931,015	108,931,015
Mark R. Compton	100,400	100,400
Barrie R. Martin	1,405	1,405

## Note 25 Related parties (continued)

	<b>2004</b>	2003
	<b>Number</b>	Number
Share Options		
Paul Freiman	1,000,000	1,000,000
Mark R. Compton	8,379,311	8,379,311
Saul A. Mashaal	8,379,311	8,379,311
Colin S. Goldschmidt	4,000,000	4,000,000
Christopher D. Wilks	2,500,000	2,500,000
R. Peter Campbell	1,000,000	1,000,000
Kenneth Gross	1,000,000	1,000,000
Barrie R. Martin	1,000,000	1,000,000
S. Iswaran	1,000,000	-

### Other transactions with directors and director-related entities

A director, Paul Freiman, is a director and shareholder of Scitech Group. SciGen Ltd entered into a contract with Paul Freiman during 2003 for consultancy services. The contract was based on normal commercial terms and conditions.

A director, Saul A. Mashaal, is a director and shareholder of Mashaal Enterprises Ltd. Saul A. Mashaal through Mashaal Enterprises Ltd has provided consultancy services to the Company for several years on normal commercial terms and conditions.

Aggregate amounts of each of the above types of other transactions with directors and their director-related entities:

	<b>The Group</b>		<b>The Company</b>	
	<b>2004</b>	2003	<b>2004</b>	2003
	<b>S\$</b>	S\$	<b>S\$</b>	S\$
Paul Freiman's Consultancy Fees	-	26,631	-	26,631
Mashaal Enterprises – Saul Mashaal	<b>231,820</b>	228,756	<b>231,820</b>	228,756

### Wholly-owned group

The wholly-owned group consists of SciGen Ltd and its wholly-owned controlled entities, SciGen Pty Ltd and SciGen Korea Ltd. Interests held in these controlled entities are set out in note 26.

Transactions between SciGen Ltd and other entities in the wholly-owned group during the years ended 30 June 2004 and 2003 consisted of:

- (a) loans advanced by SciGen Ltd
- (b) loans repaid to SciGen Ltd
- (c) the sale of products by SciGen Ltd.
- (d) investment by and issue of share capital to SciGen Ltd.

The above transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of principal on loans advanced by SciGen Ltd.

	<b>The Company</b>	
	<b>2004</b>	2003
	<b>S\$'000</b>	S\$'000
Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with entities in the wholly-owned group:		
- Sales	<b>2,214</b>	771
- Research and development expense	<b>554</b>	457
Aggregate amounts receivable from entities in the wholly-owned group at balance date	<b>3,086</b>	2,219

## Note 26 Investments in controlled entities

Name of entity	Country of incorporation	Class of shares	Equity-holding	
			2004 %	2003 %
SciGen (Australia) Pty Ltd	Australia	Ordinary	100%	100%
SciGen Korea Ltd	Korea	Ordinary	100%	100%

## Note 27 Reconciliation of loss from ordinary activities after income tax to net cash outflows from operating activities

	The Group		The Company	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Loss from ordinary activities after related income tax	(4,311)	(4,881)	(4,141)	(5,353)
Depreciation and amortisation	286	264	258	243
Loss on disposal of fixed assets	16	14	13	12
Write down of Investment	-	-	-	1,144
Change in operating assets and liabilities, net of effects from purchase of controlled entity and sale:-				
Decrease (increase) in receivables	(558)	(675)	(119)	12
Decrease (increase) in inventories	125	(461)	224	(423)
Decrease (increase) in other operating assets	(253)	(95)	(185)	(23)
Increase (decrease) in trade creditors	880	795	975	(86)
Increase (decrease) in other operating liabilities	(854)	(2,265)	(854)	(1,158)
Increase (decrease) in other provisions	4	270	(30)	175
Net cash outflow from operating activities	<u>(4,665)</u>	<u>(7,034)</u>	<u>(3,859)</u>	<u>(5,457)</u>

## Note 28 Earnings per share

	The Group	
	2004 S Cents	2003 S Cents
Basic earnings per share	(1.029)	(1.350)
Diluted earnings per share	<u>(1.029)</u>	<u>(1.350)</u>

	The Group	
	2004 Number	2003 Number
<b>Weighted average number of shares used as the denominator</b>		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>418,965,443</u>	<u>362,253,114</u>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>418,965,443</u>	<u>362,253,114</u>

## Note 28 Earnings per share (continued)

	The Group	
	2004	2003
	S\$'000	S\$'000
<b>Reconciliations of earnings used in calculating earnings per share</b>		
Basic earnings per share		
Net loss	(4,311)	(4,881)
Earnings used in calculating basic earnings per share	<u>(4,311)</u>	<u>(4,881)</u>
Diluted earnings per share		
Net loss	(4,311)	(4,881)
Earnings used in calculating diluted earnings per share	<u>(4,311)</u>	<u>(4,881)</u>

### Information concerning the classification of securities

#### (a) Options

Options granted to employees under the Class 1 through to Class 9 Option Plans are considered to be anti-dilutive potential ordinary shares. Therefore they have not been included in the determination of basic and diluted earnings per share. Details relating to the options are set out in note 29.

## Note 29 Share options

Set out below are the different classes of option granted, exercised and cancelled during the financial year, and options as at the end of the financial year:-

Grant date	Class	Exercise Period	Exercise Price A\$	Options Granted	Option Exercised	Option Cancelled	Balance as at 30 June 2004
15 Nov 02	Class 1	15 Nov 2003 to 15 Nov 2006	A\$0.20	*1,000,000	-	-	8,500,000
27 Nov 02	Class 2	27 Nov 2002 to 15 Dec 2003	A\$0.11	-	-	(779,000)	-
27 Nov 02	Class 3	27 Nov 2002 to 20 Feb 2005	A\$0.18	-	-	(55,000)	2,068,000
27 Nov 02	Class 4	20 Apr 2003 to 20 Apr 2005	A\$0.18	-	-	-	4,500,000
27 Nov 02	Class 5	20 Dec 2003 to 20 Apr 2006	A\$0.25	-	-	(10,000)	3,424,400
27 Nov 02	Class 6	16 Jan 2005 to 16 May 2007	A\$0.15	-	-	-	1,577,500
15 Nov 02	Class 7	15 Nov 2003 to 15 Nov 2006	A\$0.20	-	-	-	8,379,311
15 Nov 02	Class 8 **	15 Nov 2003 to 15 Nov 2006	A\$0.20	-	-	-	8,379,311
18 Nov 03	Class 9	1 Sep 2004 to 31 Aug 2007	A\$0.22	5,317,500	-	(30,000)	5,287,500

## **Note 29            Share options (continued)**

\*Options issued under class 1 were issued to a SciGen non-executive director at the Annual General Meeting held on 18 November 2003. The exercise period for the 1,000,000 options is from 18 November 2003 to 15 November 2006.

\*\* The exercise period for Class 8 is from 15 November 2003 to 15 November 2006 with potential to extend to 15 November 2012 upon satisfaction of certain conditions.

No shares have been issued during the financial year by virtue of the exercise of options to take up un-issued shares of the Company or of its subsidiaries.

No option holder has any right under the options to participate in any other share issue of the company or of any other entity.

## **Note 30            Financial risk management**

Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out under policies approved by the Board of Directors.

- (i)    Foreign exchange risk  
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to United States Dollars. Entities in the Group use natural hedging for each foreign currency exposure risk in connection with the measurement currency.
- (ii)   Interest rate risk  
The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest bearing liabilities.
- (iii)   Credit risk  
The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history.
- (iv)   Liquidity risk  
The Group monitors cash flows on a regular basis to ensure availability of cash for day-to-day operations.

## **Note 31            Event occurring after balance sheet date**

On 16 July 2004, the Company received registration of its recombinant human insulin in India. The Company has commercialisation agreements in place with Ranbaxy, India's largest pharmaceutical company and Shreya Life Sciences for marketing and sales of its recombinant human insulin in India. Both these companies are now ready to launch the product into the Indian market.

On 1 September 2004, the Company announced the capital raising by way of an initial placement of 22 million shares @ A\$0.07 per share to Shreya a strategic partner of the Company. In addition to the initial placement, the company advised of the rights issue of 1 for 4 at A\$0.06 per share. In addition a further placement will be made to Shreya in January 2005, at A\$0.06 per share in order to bring Shreya's shareholding in the Company to 24% of the expanded capital. The initial and final placements and Rights Issue will raise a minimum of A\$11.2 million and a maximum of A\$16.4 million. This will further strengthen the company's cash reserves and will fund the future development projects.

**Note 32            Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of SciGen Ltd on 15 September 2004.

**SciGen Ltd and consolidated entities**  
**Shareholder information**

The shareholder information set out below was applicable as at 31 August 2004.

**A Distribution of equity securities**

Analysis of numbers of equity security holders by size of holding:

	<b>Ordinary shares</b>
	<b>Shares</b>
1 – 1,000	1,706,775
1,001 – 5,000	5,525,443
5,001 – 10,000	4,309,356
10,001 – 100,000	59,990,554
100,001 and over	347,433,315
	<u>418,965,443</u>

There were 5,708 holders of less than a marketable parcel of ordinary shares.

**B Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest holders of quoted equity securities are listed below:

<b>Name</b>	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>Percentage of issued shares</b>
Scitech Genetics Pte Ltd.	108,931,015	26.00%
Sonic Healthcare Ltd	48,104,885	11.48%
Jardvan Pty Ltd	21,458,704	5.12%
Mrs. Elisa Nicole Smith	8,270,000	1.97%
Merrill Lynch (Australia) Nominees Pty Ltd	5,000,000	1.19%
Polly Pty Ltd	3,816,646	0.91%
Citicorp Nominees Pty Ltd	3,380,435	0.81%
Bow Lane Nominees Pty Ltd	3,000,000	0.72%
Dr. Thomas Davis	2,970,485	0.71%
Bardavis Pty Ltd	2,970,000	0.71%
Quotidian No 2 Pty Ltd	2,485,819	0.59%
ANZ Nominees Limited	2,182,556	0.52%
Linkshore Pty Ltd	1,693,007	0.40%
Mr. Duy Mot Dinh & Mrs Chui Ming Ting	1,668,776	0.40%
Invia Custodian Pty Ltd	1,534,538	0.37%
Mr. Lawrence Chan	1,518,509	0.36%
Crocards Pty Ltd	1,500,000	0.36%
Quintal Pty Ltd	1,500,000	0.36%
Cranebar Pty Ltd	1,300,000	0.31%
Maree International Trading Co Pty Ltd	1,260,000	0.30%
	<u>224,545,375</u>	<u>53.60%</u>

**SciGen Ltd and consolidated entities**  
**Shareholder information**

**C Substantial holders**

Substantial holders in the company are set out below:

	<b>Number held</b>	<b>Percentage</b>
Ordinary shares		
Scitech Genetics Pte Ltd	108,931,015	26.00%
Sonic Healthcare Ltd	48,104,885	11.48%
Jardvan Pty Ltd	21,458,704	5.12%

The shares held by Sonic Healthcare Ltd and Scitech Genetics Ltd are escrowed for 24 months from the date on which SciGen was listed on the ASX. The escrow expires on 15 November 2004.

**D Voting rights**

The voting rights attaching to each class of equity securities are set out below:

- (a) Ordinary shares  
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
  
- (b) Options  
No voting rights.